

MATTEL SALES CORPORATION and FISHER-PRICE, INC. (collectively hereinafter "Seller")
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1. APPLICABILITY. The following terms and general conditions, together with any sales quotation and/or sales benefit program issued by Seller making reference to this document (collectively, these "Terms and Conditions of Sale") will apply to Seller's sales of the goods described in any such sales quotation and/or sales benefit program (collectively, the "Products") to the party to whom the sales quotation and/or sales benefit program is addressed ("Buyer") within the United States. These terms do not apply to direct import orders. Any purchases through the Mattel Toy Store Charity Sales Program (the "Charity Sales Program") are subject to Seller's Charity Sales Program Policy (as amended, restated, supplemented or otherwise modified from time to time, the "Charity Sales Policy"), the terms and conditions of which are incorporated herein by reference. In the event of any conflict between these Terms and Conditions of Sale and the Charity Sales Policy, the terms of the Charity Sales Policy shall govern and control. By purchasing through the Charity Sales Program, Buyer represents and warrants to Seller that (i) the Products will be used solely for gifting to children for charitable purposes, and (ii) the Products will not be used for wholesale, resale, fundraising, silent auctions, prizes or personal use purposes of any kind.

2. TERMS OF PAYMENT. Standard payment terms are sixty (60) days from the date of shipment (30 days for closeouts). For purchases through the Charity Sales Program, payment in full is required at the time of purchase after Buyer's order is confirmed and must be received prior to pick-up or shipment. The assignment of standard payment terms to orders is subject to initial and ongoing credit review by Seller. Seller does not pay anticipation for early payment. Credit determination is at Seller's sole discretion. Prompt payment of current year obligations is required to obtain standard payment terms in the future. Interest on overdue accounts will accrue at the rate of 12% per annum or the highest rate permitted by law, if less. Payment may not be withheld pending settlement of any claims of adjustment. No deductions may be made without prior authorization. There is no right of setoff by the Buyer. The allowance of benefits is contingent upon payment in full and within these Terms and Conditions of Sale. Any and all claims made against Seller must be received by the Seller by the earlier of the invoice due date or ninety (90) days after shipment. If Buyer fails to make any payment on any invoice within ten (10) days of the due date, Seller shall have the right to declare all outstanding invoices and other amounts owed to Seller immediately due and payable regardless of the due dates previously established. Any amounts due from Buyer to Seller or owed to Seller by Buyer may be pledged, assigned, sold or otherwise encumbered and conveyed without notice and without Buyer's consent.

3. TITLE; RISK OF LOSS. Unless otherwise agreed in writing by the Seller, title and risk of loss shall pass to the Buyer upon delivery to a carrier, regardless of whether Seller pays the freight to the customer designated location. All full carton loss and damage in transit claims must be filed with the delivering carrier. The Buyer is responsible for filing all claims with carriers for all other shortages and no deductions are allowed from invoice payment therefor. All shipping adjustments, concealed damage or shortage claims must be filed within thirty (30) days of receipt of shipment. Requests for adjustments must be supported by seal numbers and unloading tallies (where applicable), carrier inspection reports and/or delivery receipts. However, except with respect to shipments in which the Buyer requires the carrier to drop trailers and a product count is performed without a carrier representative or agent present, the Seller may elect to handle the freight claim to resolution provided Buyer satisfies all of the following conditions: (i) written notice to Seller's Customer Accounting Department must be received no later than sixty (60) days after invoice receipt date and (ii) the written notice shall identify the specific invoice number(s) in question and the specific Product Number. Copies of delivery receipts, inspection reports, exception details and all supporting documents must be included with the notice. In the case of complete non-delivery, assigned loss verification must also be included with the notice. After receipt of the written notice as required above, the Seller's Logistics Department will conduct an investigation of the related claim. In the event written notice is not received by Seller from Buyer within sixty (60) days after receipt of shipment, no deduction will be allowed the Buyer. Seller will furnish Buyer with a copy of the signed, original bill of lading in order that the Buyer may trace shipment and/or file its own claim.

4. SHIPPING TERMS AND POLICIES. All shipments are made F.O.B. point of origin (delivery to carrier). Purchases through the Charity Sales Program are subject to the shipping and pick-up provisions set forth in the Charity Sales Policy. Unless agreed upon in advance, Mattel is freight prepaid, Fisher-Price is freight collect. **FOR PREPAID SHIPPING, THE ROUTING AND THE FORM OF TRANSPORTATION WILL BE SELECTED BY SELLER. IN THOSE CASES WHERE SHIPPING IS FREIGHT-COLLECT, THE SELLER SHALL USE REASONABLE EFFORTS TO UTILIZE A BUYER-PREFERRED CARRIER.** Primary shipping points are San Bernardino, CA, Fort Worth, TX, and Jonestown, PA. Shipping point is at Seller's option. Seller reserves the right to change F.O.B. point of origin. The carrier operates as Buyer's agent. Alaskan orders will be shipped prepaid to Seattle, Washington only. All shipping instructions and route guides will be reviewed and honored where practical or possible. It may be necessary to deviate under certain circumstances, however. If no increase in transportation costs is incurred, Seller will not honor chargebacks in excess of the amount customer would have paid had the freight moved via the carrier of their choice. Substantiation of the premium/excess costs must be submitted to Seller within thirty (30) days of the alleged violation. Driver will be required to present credential and purchase order number prior to loading. Seller's personnel will assist in loading. Buyer's trucker or agent will be required to assist in loading. Buyer's trucker or agent will be responsible for both the count by item and the total number of items received. No claims for standard case pack shortages will be honored. **THE SELLER SHALL NOT BE LIABLE FOR DELAYS IN DELIVERY FOR ANY REASON OR FOR ITS FAILURE TO FULFILL AN ORDER.**



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Orders not meeting the minimum dollar requirements set forth below are subject to a 5% service charge. New accounts must place a minimum opening order of \$5,000.00. After placement of the opening order, Seller's minimum acceptable order is \$1,000 per ship date, per ship-to location. Orders for less than the foregoing minimum will not be accepted. Shipments will be made against purchase orders until completion unless a cancellation date or written instructions to the contrary have been received. Seller requires a cancellation notice to be received by its East Aurora headquarters at least five (5) working days prior to shipment. Seller reserves the right to ship five (5) days prior to the customer's requested ship date and to make partial shipments on any order that does not specifically state "Ship Complete. All shipments are made in standard pack cartons as shown on price lists and catalogs. Standard cartons are pre-printed with stock number, description and other pertinent information and factory-sealed. Customer Order number, department number, store number, and stock number are shown on the shipping label and each carton when included on customer purchase order. All full carton loss and damage in transit claims as well as freight overcharge payments must be filed by the Buyer with the delivering carrier. All shipping adjustments, concealed damage or shortage claims must be filed within thirty (30) days of receipt of shipment. Requests for adjustments must be supported by seal numbers and unloading tallies (where applicable), carrier inspection reports and/or delivery receipts.

5. DEFECTIVE MERCHANDISE; RETURNS. Unless otherwise agreed in writing, Seller's defective allowance merchandise policy shall control Buyer's remedies for defective Products. Under the defective allowance program, Buyer may be eligible to earn a flat rate to cover defective Products, including customer returns, in lieu of the actual return by Buyer of defective merchandise for credit. This defective allowance is based on net goodline shipping, defined as goodline invoiced dollars (excluding closeouts), less credits issued for invoice adjustments, good returns and transfers. Unless agreed upon in advance, the defective allowance is payable by credit memo in January of the following year. All defective Products must be destroyed by Buyer at its own cost; any attempt to resell or otherwise re-circulate defective Products will result in the forfeiture of the allowance. See the applicable benefits program for the defective allowance and other details. All sales are final and Seller does not accept the return of good merchandise that is shipped in response to a valid order. Merchandise, including unordered Products and other Products not conforming to the order, may not be returned (and Seller will not pay return freight) without prior authorization. In the event that Seller makes an exception to this policy for Buyer and permits a return of Products, it will issue a return authorization with applicable instructions. A credit memo will be issued only upon receipt and verification of the returned merchandise and no deduction may be made in anticipation of the credit issuance. Except as set forth in Section 7, Seller does not accept any responsibility for claimed losses or expenses in connection with damaged, defective or returned Products and Seller does not commit to replace defective merchandise.

6. WARRANTY. Seller represents that the Products will comply in all material respects with all applicable Federal and State product safety laws and regulations, and all applicable and mandatory product safety rules, bans and standards that are enforced by the U.S. Consumer Product Safety Commission, including any failure of a Certificate of Compliance supplied by Seller or maintained on Seller's internet-accessible electronic platform to comply with applicable requirements of the Consumer Product Safety Improvement Act of 2008 §14(a). Products may also be warranted to consumers as shown on the packaging or other published warranties of Seller. Non-conforming Products may only be returned at Seller's expense for credit, after obtaining an express return authorization. Generally, as stated above, Seller does not accept the return of either conforming or non-conforming Products. Remedies for consumer warranties are expressly stated in the printed warranties. Notwithstanding the foregoing, Products purchased through the Charity Sales Program are sold in their existing condition "AS-IS, WHERE-IS, AND WITH ALL FAULTS" with no warranties express or implied. Except as set forth in Section 7 below, the foregoing shall constitute the sole remedies of the Buyer and the exclusive liability of the Seller. **THESE WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

7. INDEMNIFICATION. Subject to the limitations herein, Seller will defend and indemnify Buyer against any third party claim alleging: (1) personal injury or property damage arising from (a) defect in Products (b) the negligence of Seller, its agents or employees in connection with the design or manufacture of Products or (c) the material failure of the Products to comply with an applicable Federal or State product safety law or regulations, or any applicable and mandatory product safety rule, ban or standard that is enforced by the U.S. Consumer Product Safety Commission, including any failure of a Certificate of Compliance supplied by Seller or maintained on Seller's internet-accessible electronic platform to comply with applicable requirements of the Consumer Product Safety Improvement Act of 2008 §14(a); or (2) losses or damages arising solely from the infringement by Products of U.S. patents, copyrights or trademarks. The sale of Products by Seller does not convey any license, by implication, estoppel, or otherwise, under patent claims covering combinations of Products or any parts with other devices or elements, and any such use of Products is not covered by the foregoing indemnity. The foregoing indemnification obligation of Seller is conditioned upon the Buyer promptly notifying the Seller in writing after receiving notice of a claim or loss for which indemnification is or may be sought and the Buyer's cooperation in the defense of the action as reasonably necessary. Failure to provide such notice and/or cooperation will relieve Seller of its indemnity obligations. The Seller will have the right to select counsel and to control the defense and settlement of any indemnified claims. Buyer may employ counsel, at its own expense, with respect to any such claim (provided that if counsel is employed due to a conflict of interest or because Seller does not assume control of the defense, Seller will bear such expense). Buyer will not admit liability or enter into any settlement of a claim that adversely affects Seller's right or interest without Seller's prior written approval. Seller will pay any award for which Buyer is obligated to pay based on a judgment as finally awarded for a third party claim for which Seller has the obligation to defend



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and indemnify, but not other incidental losses or expenses. Seller (i) shall not have any obligation to indemnify and defend Buyer from any third party claim and/or (ii) may withdraw its defense and indemnity of Buyer for any third party claim, where such third party claim is based in whole or in part of any acts, omissions or directives of the Buyer, its employees, agents or contractors, including, but not limited to, alteration of the product, making representations or warranties regarding the product or selling the product with knowledge that the product was defective or where the Buyer has otherwise breached its obligations under this section. The Buyer shall defend and hold the Seller harmless against any claims, liability or loss resulting from infringement of patents, copyrights or trademarks arising from compliance with Buyer's designs or specifications or instructions.

8. TRADEMARK LICENSE. Subject to these Terms and Conditions of Sale, Seller hereby grants to Buyer a personal, non-exclusive, royalty-free, non-transferable license to use and display Seller's trademarks as they appear on the Products and their packaging (the "Seller Marks"), solely in connection with the marketing and sale of the Products purchased hereunder in the United States. Buyer shall not use the Seller Marks in connection with any other products, or in connection with the marketing, distribution, sale, or resale of any merchandise which is known by Buyer to be defective, which is known by Buyer to have been materially altered or damaged, or which has been used, including unpackaged Products, damaged customer returns, and "gray-market" goods. Buyer shall only use the Seller Marks in the form that they appear on the Products purchased hereunder and their packaging. In all exploitations of the Seller Marks, Buyer shall place the symbols "TM", "®", or other applicable designations adjacent to the Seller Marks in the same manner in which they appear on the Products and their packaging. Buyer shall not use the Seller Marks in any manner that is misleading, or in connection with any illegal, unethical, unfair or deceptive practices, or in any other manner that would tend to damage the reputation of Seller and its affiliates, or devalue, injure or dilute the Seller Marks or the goodwill associate therewith. Buyer will cooperate with Seller in its efforts to maintain quality control in connection with the Seller Marks and upon request will provide Seller with copies of any materials used by Buyer that bear the Seller Marks. Upon Seller's request, Buyer shall promptly make any changes to, or cease any uses of, the Seller Marks as Seller deems appropriate in its sole discretion. Buyer acknowledges that, as between Buyer and Seller, Seller is the sole and exclusive owner of all right, title, and interest in and to the Seller Marks, and Buyer agrees not to take any action inconsistent with such ownership. All uses of the Seller Marks by Buyer, and all goodwill developed therefrom, shall inure solely to the benefit of Seller and its affiliates.

9. TAXES. Unless otherwise stated Seller's prices do not include sales, use, excise, or similar taxes. Consequently, in addition to the price specified herein, the amount of any present or future sales, use, excise or similar tax applicable to the sale of the Products hereunder shall be paid by Buyer or, in lieu thereof, Buyer shall provide Seller with a tax exemption certificate acceptable to the taxing authorities. Buyer must supply Seller with Buyer's resale number.

10. CONTROLLING PROVISIONS. These Terms and Conditions of Sale constitutes an offer by Seller to provide Products to Buyer. If these Terms and Conditions of Sale are deemed an acceptance of a prior offer by Buyer, such acceptance is limited to the express terms contained herein. Buyer's acceptance of these Terms and Conditions of Sale is limited to the terms, covenants and conditions contained in these Terms and Conditions of Sale, and Seller hereby objects to and rejects any additional, different or varying terms proposed by Buyer, unless Seller expressly agrees to such terms in writing referencing the quotation to which these Terms and Conditions of Sale apply. Such proposal of additional, different or varying terms by Buyer will not operate as a rejection of Seller's offer, and Seller's offer shall be deemed accepted without such additional, different or varying terms. These Terms and Conditions of Sale constitute the final expression of the terms between Seller and Buyer regarding the Products and is the complete statement of those terms. Any terms, conditions, negotiations or understandings not contained in these Terms and Conditions of Sale shall have no force or effect unless made in writing and signed by Seller and Buyer.

11. ACCEPTANCE. Buyer shall be deemed to have accepted these Terms and Conditions of Sale upon the earliest of the following to occur: (a) Buyer's executing an electronic interface indicating Buyer's acceptance of these Terms and Conditions of Sale, (b) Seller's receipt of a copy of these Terms and Conditions of Sale signed by Buyer; (c) Buyer's payment of any amounts due under these Terms & Conditions of Sale; (d) Seller's delivery of the Products; (e) failure by Buyer to notify Seller otherwise within 10 days of its receipt of these Terms and Conditions of Sale; or (f) any other event constituting acceptance under applicable law.

12. ORDERS. Buyer's order of Products from Seller shall be subject to the provisions of these Terms and Conditions of Sale. Buyer's order must be in a form acceptable to Seller. Seller reserves the right to reject any orders for any reason in its sole discretion. Seller reserves the right to correct clerical or similar errors relating to price or any other term shown on any invoice. Orders for Products which have been accepted by Seller may not be modified or canceled by Buyer without Seller's prior written consent.

13. CONFIDENTIAL INFORMATION, TOOLING AND SECURITY INTEREST. All sales program materials, sales projections, advertising plans, research, specifications, drawings, technical information and other materials furnished by Seller to Buyer that have not been disclosed to the general public by Seller shall remain Seller's property, shall be kept confidential by Buyer and shall be returned at Seller's request. Seller shall retain ownership of all tooling manufactured for use in making the Products, even if such Products are produced solely for Buyer using Buyer's specifications. Seller shall have a security interest in the Products sold hereunder until all payments (including deferred payments whether evidenced by notes or otherwise) shall have been made in full in cash, and the Buyer agrees to do all acts necessary to perfect and maintain such security interest in the Seller.



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14. LIMITATION OF LIABILITY; CLAIMS. Except as provided in Section 7 (Indemnification), Seller's liability on any claim of any kind, including negligence and breach of warranty, for any loss or damage resulting from, arising out of, or connected with these Terms and Conditions of Sale; or from the performance or breach thereof; or from the manufacture, sale, delivery, resale, repair or use of any product covered by or furnished under these Terms and Conditions of Sale; shall in no case exceed the price allocable to the product or part thereof which gives rise to the claim. SELLER EXPRESSLY DISCLAIMS ANY LIABILITY FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION LOST PROFITS, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND WHETHER OR NOT SUCH DAMAGES WERE FORESEEABLE. Post audits of previous year's payments that generate claims against Seller will be considered and investigated within the following time period. The allowable period will be one (1) calendar year previous to December 31 of the current calendar year. All post audit claims not within this time frame will be automatically rejected. Seller reserves the right to set-off any amounts owed to Buyer against any amounts owed by Buyer to Seller.

15. PRICES. Seller reserves the right to invoice items at prices prevailing at the time of shipment. Prices listed in the Charity Sales Program Catalogue are only good through catalogue purchases. In-store shopping discounts under the Charity Sales Program are 30% off non-sale items. No other discounts or coupons apply.

16. UNIVERSAL PRODUCT CODE. Buyer acknowledges that Seller is providing Universal Product Code (UPC) on some of its packages as an accommodation and convenience to Buyer. Buyer expressly agrees that Seller shall have no liability to Buyer whatsoever for the inability of Buyer's point-of-sale electronic scanning device to scan or read said Universal Product Code and Buyer expressly releases Seller from any and all liability relating thereto.

17. VENDOR NON-COMPLIANCE CHARGEBACKS. SELLER DOES NOT ACCEPT NON-COMPLIANCE PENALTIES, FEES OR CHARGEBACKS, AND NO DEDUCTIONS FROM INVOICE BY BUYER WILL BE ALLOWED, WHETHER RELATED TO BUYER SHIPPING, ROUTING, ORDER OR OTHER BUYER-DICTATED GUIDELINES. ANY CHARGEBACK RECEIVED FROM BUYER WILL BE IMMEDIATELY DECLINED AND BE TREATED AS A PAST DUE AMOUNT OWING TO SELLER.

18. ADVERTISING SCHEDULES. Although Seller's advertising schedules represent Seller's current plan and Seller intends to make every good faith effort to meet them as in the past, Seller expressly reserves the right in Seller's sole discretion to change such schedules without notice as the situation requires.

19. ATTORNEYS' FEES & RELATED COSTS. Buyer shall pay to Seller all costs and expenses, including reasonable attorneys' fees incurred by Seller in collecting payments due from Buyer or in enforcing any of the Seller's rights pursuant to these Terms and Conditions of Sale.

20. POLICY PROHIBITING REDISTRIBUTION OF ALTERED OR DAMAGED MERCHANDISE. Buyer acknowledges and agrees that Seller prohibits the sale (initial, resale, or barter) of: (1) factory defective merchandise for which credit and/or an allowance has been requested or received, or (2) merchandise which is known by Buyer to have been materially altered or damaged (e.g., unpackaged product, damaged consumer returns). Buyer further acknowledges that the sale of such merchandise is prohibited because of its potentially dangerous and/or hazardous condition and to preserve the goodwill of Seller's trademarks and logos as well as those of its affiliates. Buyer agrees that, by accepting shipments of Seller merchandise, Buyer shall abide by the above prohibitions.

21. POLICY REGARDING EXPORT AND IMPORT OF MERCHANDISE. Merchandise purchased from Seller may only be distributed and sold in the 50 states of the United States of America, the District of Columbia, Puerto Rico and Guam (the "United States"). Absent express, prior written approval of an Executive Officer of the Seller, Buyer agrees not to export merchandise purchased from Seller, to countries or territories outside of the United States. Furthermore, Buyer agrees not to sell merchandise purchased from Seller to a third party if Buyer knows or has reason to know the third party intends to resell the merchandise outside of the United States. This Policy encompasses both over the counter sales and on-line, Internet sales.

22. BUYER'S INSOLVENCY. If the financial condition of the Buyer at any time is such as to give the Seller, in its judgment, reasonable grounds for insecurity concerning the Buyer's ability to perform its obligations under these Terms and Conditions of Sale, the Seller may require full or partial payment in advance, suspend any further deliveries until such payment has been received, convert payment terms to cash in advance or apply or reapply any payment received from Buyer to outstanding invoices in Seller's discretion. In the event of bankruptcy or insolvency of the Buyer or if any proceeding is brought by or against the Buyer under the bankruptcy or insolvency laws, the Seller shall be entitled to cancel any order outstanding at any time and shall receive reimbursement for its cancellation charges. No action by Seller shall constitute an election of remedies and nothing contained herein shall in any way limit, restrict, prejudice, or waive any of Seller's rights and remedies available under applicable law.

23. GENERAL. All orders are subject to acceptance by Seller, and Seller retains the right to reject any order of Buyer for any reason. Seller's acceptance of orders shall be expressly conditioned on Buyer's assent to these Terms and Conditions of Sale. Mere acceptance of the Buyer's order, regardless of the form on which the order is sent or transmitted, shall not alter the application of these Terms and



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Conditions of Sale. These Terms and Conditions of Sale and all matters concerned with the performance thereof shall be construed, interpreted, applied and governed in all respects by the law of the State of California. THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS SHALL NOT BE APPLICABLE TO THESE TERMS AND CONDITIONS OF SALE. Further, it shall be construed to be between merchants. Any assignment of these Terms and Conditions of Sale, or any rights hereunder, by the Buyer without Seller's written consent shall be void. Except as may be expressly provided to the contrary in writing, the provisions of these Terms and Conditions of Sale for the benefit of the parties hereto and not for any other person. No waiver, alteration or modification of any of the provisions of these Terms and Conditions of Sale shall be binding unless in writing and signed by a Senior Vice President or more senior officer of the Seller. Failure of Seller, in whole or in part, to perform its obligations hereunder when due, if occasioned by act of God, fire, explosion, flood, riot, war, insurrection, labor disputes, sabotage, epidemic, accident, shortage of supply or other causes beyond Seller's reasonable control which makes it impossible to perform shall not subject Seller to any liability to Buyer.